



National Highway Traffic Safety Administration

[Docket No. NHTSA-2022-0057]

Czinger Vehicles – Receipt of Petition for Temporary Exemption

AGENCY: National Highway Traffic Safety Administration (NHTSA), Department of Transportation (DOT).

ACTION: Notice of receipt of petition for temporary exemption; request for public comment.

SUMMARY: Czinger Vehicles (Czinger) has petitioned NHTSA for a temporary exemption from windshield requirements in Federal motor vehicle safety standard (FMVSS) No. 205, Glazing materials. Czinger is a low volume start-up manufacturer and seeks the exemption on the basis that compliance with the standard would cause substantial economic hardship. NHTSA is publishing this document in accordance with statutory and administrative provisions and requests comment on the merits of Czinger's exemption petition. NHTSA has made no judgement at this time on the merits of the petition.

DATES: Comments must be received on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Callie Roach, Office of the Chief Counsel, National Highway Traffic Safety Administration, 1200 New Jersey Avenue S.E., Washington, D.C. 20590. Telephone: 202-366-2992; Fax: 202-366-3820.

Comments: NHTSA invites you to submit comments on the petition described herein and the questions posed below. You may submit comments identified by docket number in the heading of this notice by any of the following methods:

- *Fax:* 202-493-2251.
- *Mail:* U.S. Department of Transportation, Docket Operations, M-30, Room W12-140, 1200 New Jersey Avenue, S.E., Washington, D.C. 20590.

- *Hand Delivery:* 1200 New Jersey Avenue, S.E., West Building Ground Floor, Room W12-140, Washington, D.C., between 9 a.m. and 5 p.m., Monday through Friday, except Federal Holidays. To be sure someone is there to help you, please call (202) 366-9322 before coming.
- *Federal eRulemaking Portal:* Go to <http://www.regulations.gov>. Follow the online instructions for submitting comments.

Instructions: All submissions must include the agency name and docket number. Note that all comments received will be posted without change to <http://www.regulations.gov>, including any personal information provided. Please see the Privacy Act discussion below. NHTSA will consider all comments received before the close of business on the comment closing date indicated above. To the extent possible, NHTSA will also consider comments filed after the closing date.

Docket: For access to the docket to read background documents or comments received, go to <http://www.regulations.gov> at any time or to 1200 New Jersey Avenue, S.E., West Building Ground Floor, Room W12-140, Washington, D.C. 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal Holidays. To be sure someone is there to help you, please call (202) 366-9322 before coming.

Privacy Act: In accordance with 5 U.S.C. 553(c), DOT solicits comments from the public to better inform its rulemaking process. DOT posts these comments, without edit, to www.regulations.gov, as described in the system of records notice, DOT/ALL-14 FDMS, accessible through www.dot.gov/privacy. In order to facilitate comment tracking and response, we encourage commenters to provide their name, or the name of their organization; however, submission of names is completely optional. Whether or not commenters identify themselves, all timely comments will be fully considered. If you wish to provide comments containing proprietary or confidential information, please contact the agency for alternate submission instructions.

Confidential Business Information: If you wish to submit any information under a claim of confidentiality, see the detailed instructions given under the Public Participation heading of the Supplementary Information section of this document.

SUPPLEMENTARY INFORMATION:

I. Statutory and Regulatory Requirements

NHTSA is responsible for promulgating and enforcing FMVSS designed to improve motor vehicle safety. Generally, a manufacturer may not manufacture for sale, sell, offer for sale, or introduce or deliver for introduction into interstate commerce a vehicle that does not comply with all applicable FMVSS.¹ There are limited exceptions to this general prohibition.² One path permits manufacturers to petition NHTSA for an exemption for noncompliant vehicles under specified set of statutory bases.³

The National Traffic and Motor Vehicle Safety Act (Safety Act), codified at 49 U.S.C. Chapter 301, authorizes the Secretary of Transportation to exempt, on a temporary basis and under specified circumstances, and on terms the Secretary considers appropriate, motor vehicles from a FMVSS or bumper standard. This authority is set forth at 49 U.S.C. 30113. The Secretary has delegated the authority for implementing this section to NHTSA.⁴

The Safety Act authorizes NHTSA (by delegation) to grant, in whole or in part, a temporary exemption to a vehicle manufacturer if certain specified findings are made.⁵ The agency must find that the exemption is consistent with the public interest and the objectives of the Safety Act.⁶ In addition, exemptions under § 30113 must meet one of the following bases:

(i) Compliance with the standard[s] [from which exemption is sought] would cause substantial economic hardship to a manufacturer that has tried to comply with the standard[s] in good faith;

¹ 49 U.S.C. 30112(a)(1).

² 49 U.S.C. 30112(b); 49 U.S.C. 30113; 49 U.S.C. 30114.

³ 49 U.S.C. 30113.

⁴ 49 CFR 1.94.

⁵ 49 U.S.C. 30113(b)(3).

⁶ 49 U.S.C. 30113(b)(3)(A).

- (ii) the exemption would make easier the development or field evaluation of a new motor vehicle safety feature providing a safety level at least equal to the safety level of the standard;
- (iii) the exemption would make the development or field evaluation of a low-emission motor vehicle easier and would not unreasonably lower the safety level of that vehicle; or
- (iv) compliance with the standard would prevent the manufacturer from selling a motor vehicle with an overall safety level at least equal to the overall safety level of nonexempt vehicles.⁷

Czinger submitted its petition under the first of these bases, asserting that compliance with the standard would cause it substantial economic hardship and it has tried in good faith to comply with the standard.

NHTSA established 49 CFR part 555, Temporary Exemption from Motor Vehicle Safety and Bumper Standards, to implement the statutory provisions concerning temporary exemptions. The requirements in 49 CFR 555.5 state that the petitioner must set forth the basis of the petition by providing the information required under 49 CFR 555.6, and the reasons why the exemption would be in the public interest and consistent with the objectives of the Safety Act. A petition submitted under the substantial economic hardship basis must include the following information, as specified in 49 CFR 555.6(a):

- (1) Engineering and financial information demonstrating in detail how compliance or failure to obtain an exemption would cause substantial economic hardship, including –
 - (i) A list or description of each item of motor vehicle equipment that would have to be modified in order to achieve compliance;
 - (ii) The itemized estimated cost to modify each such item of motor vehicle equipment if compliance were to be achieved –
 - (A) As soon as possible,

⁷ 49 U.S.C. § 30113(b)(3)(B).

(B) At the end of a 1-year exemption period (if the petition is for 1 year or more),

(C) At the end of a 2-year exemption period (if the petition is for 2 years or more),

(D) At the end of a 3-year exemption period (if the petition is for 3 years),

- (iii) The estimated price increase per vehicle to balance the total costs incurred pursuant to paragraph (a)(1)(ii) of this section and a statement of the anticipated effect of each such price increase;
- (iv) Corporate balance sheets and income statements for the three fiscal years immediately preceding the filing of the application;
- (v) Projected balance sheet and income statement for the fiscal year following a denial of the application; and
- (vi) A discussion of any other hardships (e.g., loss of market, difficulty of obtaining goods and services for compliance) that the petitioner desires the agency to consider.

(2) A description of its efforts to comply with the standards, including –

- (i) A chronological analysis of such efforts showing its relationship to the rulemaking history of the standard from which exemption is sought;
- (ii) A discussion of alternate means of compliance considered and the reasons for rejection of each;
- (iii) A discussion of any other factors (e.g., the resources available to the petitioner, inability to procure goods and services necessary for compliance following a timely request) that the petitioner desires the NHTSA to consider in deciding whether the petitioner tried in good faith to comply with the standard;

- (iv) A description of the steps to be taken, while the exemption is in effect, and the estimated date by which full compliance will be achieved either by design changes or termination of production of nonconforming vehicles; and
- (v) The total number of motor vehicles produced by or on behalf of the petitioner in the 12-month period prior to filing the petition, and the inclusive dates of the period. (49 U.S.C. 30113(d) limits eligibility for exemption on the basis of economic hardship to manufacturers whose total motor vehicle production in the year preceding the filing of their applications does not exceed 10,000.)

II. Czinger's Petition

The following discussion provides: An overview of Czinger's petition; a brief summary of the information Czinger submitted to demonstrate that compliance would cause it substantial economic hardship, the efforts Czinger has made to comply with the standard, and Czinger's arguments that granting the petition would be in the public interest. Because Czinger has sought confidential treatment of some aspects of its petition, a redacted version of its petition is included in the docket referenced at the beginning of this notice. NHTSA notes that any of the descriptions provided in this section were provided by Czinger in its petition and do not necessarily reflect the views of NHTSA.

A. Overview of the Czinger's Petition

On December 12, 2021, Czinger submitted a petition for exemption under 49 CFR part 555 for a temporary exemption from parts of FMVSS No. 205, Glazing materials. Specifically, Czinger is requesting an exemption from requirements for glazing to be used in windshields of Czinger's 21C model on the basis that compliance with the standard would cause substantial economic hardship.⁸ Czinger is seeking a temporary exemption for three years to allow Czinger

⁸ Czinger petition at page 4.

to produce 55 noncompliant vehicles. Czinger states that all glazing on the 21C will be compliant with FMVSS No. 205 with the exception of the windshield.⁹ Czinger states that it believes that the only requirements with which the windshield will not comply are those regarding abrasion resistance.¹⁰ As described in Czinger's petition, the windshield for the 21C is made from polycarbonate to accommodate the windshield's unique shape.¹¹

Czinger states that it is a very small volume start-up producer of innovative sports cars and has not yet started manufacturing.¹² Once production starts in 2023, Czinger states that it will produce approximately 50 cars per year worldwide.¹³ The forecasted production and US sales estimates provided by Czinger indicate that, for the three years for which Czinger is requesting a temporary exemption, Czinger expects to sell a total of 55 vehicles to the U.S. market.¹⁴ Czinger states that its 21C model vehicle is presently under development and describes it as a Hypercar comprised of lightweight materials and a power-dense production internal combustion engine.¹⁵ Czinger further explains that the vehicle is produced using Additive Manufacturing (AM) technology (the industrial production name for 3D printing), which Czinger asserts requires less material, less energy, and less infrastructure than current, widely used, production techniques.¹⁶

B. Substantial Economic Hardship

To be eligible for a temporary exemption under the substantial economic hardship basis, the petitioner's total motor vehicle production in the most recent year of production must be not

⁹ *Id.*

¹⁰ *Id.* Czinger notes in their petition that the abrasion requirements may still be met as development is ongoing.

¹¹ *Id.* at page 9.

¹² *Id.* at page 3.

¹³ *Id.*

¹⁴ *Id.* at page 6. Czinger's forecasted production for Model Years 2023, 2024, and 2025 is 20 vehicles, 50 vehicles, and 10 vehicles respectively, with an estimated 10 vehicles, 35 vehicles, and 10 vehicles sold in the U.S. in those years.

¹⁵ *Id.* at page 3.

¹⁶ *Id.*

more than 10,000 vehicles.¹⁷ To demonstrate compliance with this requirement, and pursuant to 49 CFR 555.6(a)(2)(v), Czinger stated that it has not produced any motor vehicles to date.¹⁸

In support of its claim that compliance with the windshield requirements would cause substantial economic hardship, Czinger states that it is experiencing substantial economic hardship, which would be exacerbated by the denial of its exemption petition.¹⁹ Czinger states that it has 35 employees and has been operating since 2021 without any sales.²⁰ Czinger states that, in a best-case scenario, the company will have two additional years with high expenses and no sales while product development for the 21C is completed.²¹

Czinger states that compliance with the standard will result in an extra loss of \$38 million.²² Czinger explains that the additional loss would result from an additional \$3.7 million in research in development costs, a 6-month delay bringing their product to market, and a 15% loss of 21C sales due to the car's modified aesthetics (necessitated by a laminated windshield).²³

In further support of its petition, Czinger notes that it has been enduring the pandemic and supply chain issues which, Czinger states, are straining even established OEMs.²⁴ As a startup, Czinger states that it needs flexibility to endure these challenges.²⁵

C. Good Faith Efforts to Comply

Pursuant to 49 CFR 555.6(a)(2), a petition for a temporary exemption made under the substantial economic hardship basis must include a description of the petitioner's efforts to comply with the standard for which the exemption is sought. In support of its petition, Czinger asserts that it has put considerable good faith efforts into FMVSS compliance.²⁶

¹⁷ 49 U.S.C. 30113(d).

¹⁸ Czinger petition at page 4.

¹⁹ *Id.* at page 6.

²⁰ *Id.*

²¹ *Id.*

²² *Id.* at page 7.

²³ *Id.*

²⁴ *Id.* at page 8.

²⁵ *Id.*

²⁶ *Id.*

Czinger states that the 21C has been designed with in-line seating for two occupants.²⁷

The central seating position, Czinger explains, allows for an extremely streamlined frontal profile, reducing drag and improving fuel economy, as well as improving performance.²⁸ Czinger states that this “fighter jet” design has been highly regarded by media, and more significantly, prospective clients.²⁹

Czinger states that the wrap-around cockpit is realized by a unique double curvature windscreen, which during prototype stage, was produced in polycarbonate by a supplier in Europe, Iscolima.³⁰ Czinger states that the hard polycarbonate material passes European requirements in accordance with ECE R43, including impact performance and abrasion haze resistance.³¹ Czinger states that because of the extreme size and shape of the 21C windshield, its supplier, Iscolima, has informed Czinger that the windshield must be produced in polycarbonate.³²

Czinger also states that at an early stage in the development of the 21C, their supplier Isoclima indicated that it believed the polycarbonate windshield would meet regulatory requirements for the USA market.³³ Czinger states that, based on this information, Czinger proceeded with the polycarbonate windshield development.³⁴

Czinger also states that, despite Iscolima’s opinion that the shape of the 21C windshield could not be produced in laminated glass, Czinger invested time and money trying to develop, with the help of multiple suppliers, the planned windshield shape in laminated glass.³⁵ These efforts, Czinger states, have not been successful.³⁶

²⁷ *Id.*

²⁸ *Id.*

²⁹ *Id.*

³⁰ *Id.*

³¹ *Id.*

³² *Id.* at page 9.

³³ *Id.*

³⁴ *Id.*

³⁵ *Id.*

³⁶ *Id.*

D. Czinger's Public Interest Argument

Czinger asserts that granting their petitions is consistent with the public interest and the Safety Act for the following reasons:

1. The 21C model range will comply with all FMVSS other than the windshield requirements in FMVSS 205.³⁷
2. The exempted cars will have a windshield that meets all EU requirements.³⁸
3. The exempted cars will not present an unacceptable safety risk.³⁹
4. The 21C will be produced in the US in very low numbers and will not be used daily due to its unconventional design.⁴⁰
5. The denial of the exemption request could have a negative effect on US employment.⁴¹
6. The 21C's innovative technology is a benefit to the public.⁴²

III. Agency's Review of Czinger's Petition

NHTSA has not yet made any judgment on the merits of Czinger's petition nor on the adequacy of the information submitted. NHTSA will assess the merits of the petition and consider public comments on the petition, as well as any additional information that the agency receives from Czinger. NHTSA is placing a non-confidential copy of the petition in the docket in accordance with statutory and administrative provisions.

IV. Public Participation

A. Request for Comment and Comment Period

The agency seeks comment from the public on the merits of Czinger's petition for a temporary exemption from portions of FMVSS No. 205.

³⁷ *Id.* at page 10.

³⁸ *Id.*

³⁹ *Id.* at pages 10-11.

⁴⁰ *Id.* at page 11.

⁴¹ *Id.*

⁴² *Id.* at page 12.

NHTSA is providing a 30-day comment period. After conducting a review of the adequacy for the justification for the petition and considering public comments, NHTSA will publish a decision notice regarding the petition in the Federal Register.

B. Instructions for Submitting Comments

How long do I have to submit comments?

Please see DATES section at the beginning of this document.

How do I prepare and submit comments?

- Your comments must be written in English.
- To ensure that your comments are correctly filed in the Docket, please include the Docket Number shown at the beginning of this document in your comments.
- If you are submitting comments electronically as a PDF (Adobe) File, NHTSA asks that the documents be submitted using the Optical Character Recognition (OCR) process, thus allowing NHTSA to search and copy certain portions of your submissions. Comments may be submitted to the docket electronically by logging onto the Docket Management System website at <http://www.regulations.gov>. Follow the online instructions for submitting comments.
- You may also submit two copies of your comments, including the attachments, to Docket Management at the address given above under ADDRESSES.

Please note that pursuant to the Data Quality Act, in order for substantive data to be relied upon and used by the agency, it must meet the information quality standards set forth in the OMB and DOT Data Quality Act guidelines. Accordingly, we encourage you to consult the guidelines in preparing your comments. OMB's guidelines may be accessed at <http://www.whitehouse.gov/omb/fedreg/reproducible.html>. DOT's guidelines may be accessed at http://www.bts.gov/programs/statistical_policy_and_research/data_quality_guidelines.

How do I submit confidential business information?

If you wish to submit any information under a claim of confidentiality, you should submit three copies of your complete submission, including the information you claim to be confidential business information, to the Chief Counsel, NHTSA, at the address given above under FOR FURTHER INFORMATION CONTACT. In addition, you should submit two copies, from which you have deleted the claimed confidential business information, to Docket Management at the address given above under ADDRESSES. When you send a comment containing information claimed to be confidential business information, you should include a cover letter setting forth the information specified in our confidential business information regulation. (49 CFR part 512). To facilitate social distancing during COVID-19, NHTSA is temporarily accepting confidential business information electronically. Please see <https://www.nhtsa.gov/coronavirus/submission-confidential-business-information> for details.

Will the Agency consider late comments?

We will consider all comments that Docket Management receives before the close of business on the comment closing date indicated above under DATES. To the extent possible, we will also consider comments that Docket Management receives after that date.

How can I read the comments submitted by other people?

You may see the comments on the internet. To read the comments on the internet, go to <http://www.regulations.gov>. Follow the online instructions for accessing the dockets.

Please note that, even after the comment closing date, we will continue to file relevant information in the Docket as it becomes available. Further, some people may submit late comments. Accordingly, we recommend that you periodically check the Docket for new material.

Authority: 49 U.S.C. 30113 and 49 U.S.C. 30166; delegations of authority at 49 CFR 1.95 and 49 CFR 501.5.

Issued in Washington, DC, under authority delegated in 49 CFR 1.95 and 501.8.

Steven S. Cliff,

Administrator.

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